

(iv) GLD has made all required payments to the appropriate governmental authorities with respect to applicable unemployment compensation reserve accounts for GLD's employees.

(p) Employee Compensation Contracts. Schedule 6(p) lists:  
(i) the names, job descriptions and total compensation of each director, employee or consultant of GLD; (ii) the fringe benefits currently furnished to such persons; and (iii) all loans, leases and other financial arrangements to or from GLD with any employee, officer, director or consultant.

(q) Intellectual Property.

(i) The term "Technology" shall include processes, formulae, manufacturing techniques, machines, devices, compositions of matter, computer software and programs, data and information (whether in human or machine readable form), designs, drawings, inventions (whether or not patentable), works of authorship, printed circuits, mass works, know-how and products. "Intellectual Property" shall include trade secrets and confidential business information, know-how, proprietary processes, patent and patent applications, copyright, copyright registrations and applications therefor, trademarks, service marks, brand names and trade names, and goodwill associated with all of the above, and registrations and applications for all of the above, and licenses of all of the foregoing. Schedule 6(q) sets forth all Intellectual Property, other than trade secrets and confidential business information, owned by GLD or licensed by GLD, or otherwise used by GLD in its business. Other than the Intellectual Property, there is no intellectual property owned by GLD or used in its business or licensed by GLD, or otherwise used in the business of GLD. Expiration dates, if applicable, are also set forth on Schedule 6(q). GLD's Intellectual Property is free and clear of any and all third-party rights. All patents and trademarks, copyrights and mask work registrations comprising GLD's Intellectual Property have been maintained and are in force. GLD has not granted any licenses or sublicenses of its Intellectual Property. To GLD's knowledge, there are no others infringing any Intellectual Property rights of GLD.

(ii) No proceedings have been instituted or are pending or, to GLD's knowledge, threatened which challenge GLD's rights in Intellectual Property or the validity thereof. GLD has not received notice of any interference or opposition proceeding with respect to the Intellectual Property. To the knowledge of GLD, GLD is not infringing or otherwise violating intellectual property rights of others.

(iii) Except as disclosed in Schedule 6(q), GLD has the right to use all of its Technology and Intellectual Property and owns and possesses

all Intellectual Property Rights with respect to or is expressly licensed to use all such Technology and Intellectual Property. GLD's rights in such Technology and Intellectual Property are adequate for the conduct of its business.

(iv) No director, officer or employee of GLD owns, directly or indirectly, in whole or in part, any Intellectual Property rights which GLD has used where such continued use is necessary for GLD's business as now conducted, or which relate to the Technology which GLD has used when the use of such Technology is necessary GLD's business as now conducted.

(v) Except as disclosed in Schedule 6(q), there are no agreements relating to or affecting GLD's Intellectual Property or the use or ownership of Technology or Intellectual Property by GLD, including, for example, confidential and nondisclosure agreements, assignments or agreements to assign, development agreements, settlement agreements and the like.

(r) Insurance. GLD maintains adequate and appropriate insurance coverage with respect to its business. All such insurance coverage is set forth on Schedule 6(r). GLD has maintained insurance in amounts and coverages that are prudent for GLD's business.

(s) Absence of Changes. Except as set forth on Schedule 6(s), since October 31, 1999 there have not been (a) any material adverse change other than in as is normal in the ordinary course of business in the condition (financial or otherwise), assets, liabilities, business, prospects, results of operations or cash flows of GLD (including, without limitation, any adverse change resulting from damage, destruction or other casualty loss, whether or not covered by insurance), (b) any waivers by GLD of any material right, or cancellation of any debt or claim of substantial value, (c) declaration set aside or payments of any dividend or other distributions or payments in respect of the capital stock of GLD, or (d) any material changes in the accounting principles or methods which are utilized by GLD.

(t) Disclosure. There exists no material fact, condition or, to GLD's knowledge, threatened development of any nature not otherwise disclosed in this Agreement or on the schedules to this Agreement that would be materially adverse to the operation of GLD's business. No warranty or representation by GLD contained in this Agreement or in any writing to be furnished pursuant hereto or previously furnished to Coyote contains or will contain any untrue statement of material fact or omits or will omit to state any material fact required to make the statements therein contained not misleading.

Except as set forth on Schedule 6(t), GLD has filed with the SEC all reports, registrations and other documents, together with any and all amendments thereto, required to be filed under the Securities Act and the Exchange Act (all such reports, registrations and documents filed with the SEC are collectively referred to as "GLD's SEC Reports"). As of their respective dates, GLD's SEC Reports comply in all material respects with all rules and regulations promulgated by the SEC and do not contain any untrue statement of a material fact or omit a statement of material fact required to be stated therein, or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading. GLD has provided to Coyote a true and complete copy of all of GLD's SEC Reports filed on or prior to the date hereof.

Except as disclosed in GLD's SEC Reports, there has not been any event or circumstance that has had or could reasonably be expected to have a material adverse effect on GLD.

(u) No Violation of Law. GLD is not engaging in any activity or omitting to take any action as a result of which it is in material violation of any law, rule, regulation, zoning or other ordinance, statute, order, injunction or decree, or any other requirement of any court or governmental or administrative body or agency, applicable to GLD, any of the Assets, including, but not limited to those relating to occupational safety and health matters, issues of environmental and ecological protection, business practices and operations, labor practices, employee benefits, and zoning and other land use laws and regulations. To the knowledge of GLD, all notices from governmental authorities regarding any such material violations have been remedied.

(v) Information Supplied. None of the information supplied or to be supplied by GLD for inclusion or incorporation by reference to the S-4 or the Proxy Statement will, in the case of the S-4, at the time the S-4 is filed with the SEC, at the time it becomes effective under the Securities Act, at the time of the filing of any post-effective amendments thereto and at the Effective Time, and, in the case of the Proxy Statement, at the time of the mailing of the Proxy Statement or any amendments or supplements thereto, and at the respective times of the meetings of GLD and Coyote to be held in connection with the Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading provided, however, that GLD makes no representation or warranty concerning information supplied or to be supplied by Coyote for inclusion or incorporation by reference to the S-4.

7. Representations and Warranties of Coyote and Sub. Coyote and Sub hereby jointly and severally represent and warrant to GLD as follows:

(a) Corporate Organization; Authority. Coyote is a corporation duly organized and validly existing under the laws of the State of Delaware and has the corporate power corporate and authority to own its property and carry on its business as now conducted. Sub is a corporation duly organized and validly existing under the laws of the State of Florida and has the corporate power and corporate authority to own its property and carry on its business as now conducted. Coyote and Sub have all necessary corporate power and corporate authority to execute and deliver this Agreement and the Ancillary Agreements and to consummate the transactions contemplated hereby and thereby. This Agreement and the Ancillary Agreements, are and will, when so executed, be valid and binding obligations of Coyote and Sub, enforceable in accordance with their terms. Neither Coyote nor Sub is required to be qualified or licensed to do business as a foreign corporation in any other jurisdiction where the failure to be so qualified or licensed could have a material adverse effect on Coyote or Sub, as the case may be, whether financial or otherwise.

(i) Coyote's Board of Directors (at a meeting duly called and held) has unanimously (i) approved an increase in Coyote's number of authorized shares of Common Stock to at least 50 million shares and (ii) resolved to recommend that the shareholders of Coyote approve an amendment to Coyote's Certificate of Incorporation implementing such increase. The resolutions of Coyote's Board of Directors taking the actions described in the preceding sentence have not been rescinded, withdrawn, amended or otherwise modified and remain in full force and effect.

(ii) The affirmative vote of the holders of a majority of the outstanding shares of Coyote Common Stock is the only vote of the holders of any class or series of Coyote's Capital Stock necessary to approve and implement an increase in the number of authorized shares of Coyote Common Stock.

(b) Capitalization. As of the execution date of this Agreement, the current authorized Capital Stock of Coyote consists of 30,000,000 shares of Coyote Common Stock and 5,000,000 shares of Preferred. 17,418,001 shares of Coyote Common Stock are issued and outstanding. There are 124 shares of Preferred A Shares outstanding, convertible into 206,666 shares of Coyote Common Stock, and 3,157,895 shares of Preferred B Convertible into 3,157,895 shares of Coyote Common Stock. There are 5,010,135 shares of Coyote Common Stock reserved for issuance on the exercise of outstanding Common Stock purchase warrants of Coyote, and 4,235,000 shares of Coyote Common Stock reserved for issuance on the exercise of outstanding options and options or restricted stock, which may be granted under certain stock incentive plans of Coyote. Except for warrants and options and other rights granted under such plans

and certain commitments which are contingent upon the Charter Amendment and could amount to up to 3,150,000 additional options under the plans as amended by Coyote's preliminary proxy, there are not, as of the date of this Agreement, any existing options, warrants, calls, subscriptions or other rights or agreements or commitments obligating Coyote to issue or transfer shares of its capital stock or any other securities convertible into or evidencing the right to subscribe for any such shares. All issued and outstanding shares of Coyote Common Stock are, and all shares of Coyote Common Stock to be issued at the Effective Time shall be, when issued, duly authorized and validly issued, fully paid Common Stock, nonassessable and free of pre-emptive rights with respect thereto.

(c) Binding Obligation. Neither the execution and delivery of this Agreement and the Ancillary Agreements, nor the consummation of the transactions contemplated hereby or thereby will:

(i) conflict with or violate any provision of the Certificates of Incorporation or the By-Laws of Coyote or Sub, any law, or any court or other order;

(ii) result in any breach of or default under any mortgage, contract, agreement, indenture, trust or other instrument, which is either binding upon or enforceable against Coyote or Sub, or the assets and properties of Coyote or Sub, where such breach or default could have a material adverse effect on Coyote, whether financial or otherwise;

(iii) violate any legally protected right of any individual or entity or give any individual or entity the right to claim against Coyote or Sub or the assets or properties of Coyote or Sub; or

(iv) invalidate or terminate any governmental permit or license of Coyote.

(d) Consents and Approvals. Except as set forth on Schedule 7(d), no consent of any entity, agency or person is required in connection with the execution and delivery by Coyote or Sub of this Agreement and the Ancillary Agreements to which they are a party, or consummation of the transactions contemplated hereby or thereby, including, without limitation, consents from parties to loans, contracts, leases or other agreements to which Coyote or Sub is a party.

(e) Financial Statements. Coyote has delivered to GLD copies of the following financial statements prepared by Coyote, and, if indicated below, audited by Arthur Andersen or other independent certified public accountants

acceptable to GLD , all of which are complete, correct and accurate in all respects as of their respective dates, and have been prepared from the internal books and records of Coyote in accordance with GAAP consistently applied and maintained throughout the periods indicated:

(i) an audited balance sheet, income statements and cash flows for the fiscal years ended March 31, 1997, March 31, 1998 and March 31, 1999 (the "Coyote Year-End Statements") and statements of income, changes in shareholders' equity and cash flow of Coyote, in a fashion that fairly and accurately represents the performance of the business Coyote now conducts, for each of the years then ended; and

(ii) an unaudited balance sheet of Coyote, in a fashion that fairly and accurately represents the performance of the business Coyote now conducts, for the nine-month period ended December 31, 1999 and the related statements of income, changes in shareholders' equity and cash flow for that period (the "Coyote Interim Financials").

The financial statements present fairly the financial position of Coyote at each of the dates stated therein and the results of operations for each of the periods covered, subject in the case of the Coyote interim financials to normal year-end adjustments.

(f) Litigation and Proceedings. Except as set forth on Schedule 7(f), and except for such matters that individually or in the aggregate could not reasonably be expected to have a material adverse effect on Coyote, there are no suits, actions or legal or administrative investigations or proceedings (collectively, "Coyote Proceedings") pending or, to the knowledge of Coyote, threatened against Coyote or affecting any of its assets or properties. To the knowledge of Coyote, no set of facts or circumstances exist or have existed since December 31, 1999 which could constitute a basis for any Coyote Proceeding. There are no outstanding orders, decrees or stipulations issued by any local, state, federal or foreign judicial authority in any proceeding to which Coyote was a party.

(g) Government License and Regulation. Coyote has all domestic and foreign governmental licenses and permits necessary to conduct its business as presently conducted and to own and use its assets and such licenses and permits are in full force and effect and are not subject to any Coyote Proceeding except for the absence of licenses or permits, or defaults thereunder, that individually or in the aggregate could not reasonably be expected to have a material adverse effect on Coyote.

(h) Disclosure. There exists no material fact, condition or, to Coyote's knowledge, threatened development of any nature not otherwise disclosed in this Agreement or on the schedules to this Agreement that would be materially adverse to the operation of Coyote's business. No warranty or representation by Coyote contained in this Agreement or in any writing to be furnished pursuant hereto or previously furnished to GLD contains or will contain any untrue statement of material fact or omits or will omit to state any material fact required to make the statements therein contained not misleading.

Except as set forth on Schedule 7(h), Coyote has filed with the SEC all reports, registrations and other documents, together with any and all amendments thereto, required to be filed under the Securities Act and the Exchange Act (all such reports, registrations and documents filed with the SEC are collectively referred to as "Coyote's SEC Reports"). As of their respective dates, Coyote's SEC Reports comply in all material respects with all rules and regulations promulgated by the SEC and do not contain any untrue statement of a material fact or omit a statement of material fact required to be stated therein, or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading. Coyote has provided to GLD a true and complete copy of all of Coyote's SEC Reports filed on or prior to the date hereof.

Except as disclosed in Coyote's SEC Reports, there has not been any event or circumstance that has had or could reasonably be expected to have a material adverse effect on Coyote.

(i) No Violation of Law. Coyote is not engaging in any activity or omitting to take any action as a result of which it is in material violation of any law, rule, regulation, zoning or other ordinance, statute, order, injunction or decree, or any other requirement of any court or governmental or administrative body or agency, applicable to Coyote or any of its assets, including, but not limited to those relating to occupational safety and health matters, issues of environmental and ecological protection, business practices and operations, labor practices, employee benefits, and zoning and other land use laws and regulations. To the knowledge of Coyote, all notices from governmental authorities regarding any such material violations have been remedied.

(j) Information Supplied. Neither the S-4 or any post-effective amendment thereto nor any of the information supplied or to be supplied by Coyote for inclusion or incorporation by reference in the Proxy Statement will, in the case of the S-4, at the time the S-4 is filed with the SEC, at the time it becomes effective under the Securities Act, at the time of the filing of any post-effective amendments thereto and at the Effective Time, and, in the case of the Proxy Statement, at the time of the mailing of the Proxy Statement or any amendments or

supplements thereto, and at the respective times of the meetings of GLD and Coyote to be held in connection with the Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading provided, however, that Coyote makes no representation or warranty concerning information supplied or to be supplied by GLD for inclusion or incorporation by reference to the S-4.

8. Covenants and Agreements of GLD Pending Closing. GLD hereby covenants and agrees with Coyote and Sub that:

(a) Access to Records. From and after the date of this Agreement through the Closing Date, the officers, independent accountants, attorneys and other authorized representatives of Coyote and Sub shall have free and full access at reasonable times, upon reasonable notice, upon the premises of GLD, to:

(i) the properties, books, records and all documents of or relating to GLD;

(ii) the audit work papers and other records of GLD of the independent accountants of GLD that are in GLD's possession;

(iii) such additional financial and operating data and other information concerning the business and properties of GLD as Coyote and Sub shall from time to time reasonably request in writing;

(iv) shall provide adequate copying facilities; all in order that Coyote and Sub may have full opportunity to make such investigation as they shall reasonably desire of the condition and affairs of GLD; and

(v) at Coyote's request, GLD shall direct its independent accountants to provide full access to the audit work papers and other written records of such independent accountants with respect to their audits and reviews of GLD's financial condition

(b) Compliance with Agreements; Preservation of Business. Through the Closing Date, GLD shall:

(i) comply, in all material respects, with all applicable provisions and conditions of this Agreement;

(ii) maintain and preserve the properties and business of GLD with its customers, employees, suppliers and others having business relationships with GLD;



(iii) refrain from adding to the GLD Permitted Liabilities any amounts, outside the debts incurred in the ordinary course of business; and

(iv) conduct the business of GLD diligently and only in the ordinary course, except for the purchase of a tail insurance policy, with a premium not to exceed \$75,000.

(c) Conduct of Business. GLD will use its best efforts to conduct its affairs so that at Closing no representation or warranty of GLD will be inaccurate in any material respect.

(d) Execution of Documents. GLD will execute and deliver such additional or further transfers, assignment, endorsements and other instruments as Coyote or Sub may reasonably request in writing for the purpose of carrying out this Agreement.

(e) Insurance. Through the Closing Date, GLD will continue to carry its existing insurance, subject to variations in amount required by the ordinary operation of its business.

(f) Consents and Approvals. Immediately upon the execution of this Agreement, GLD shall make any and all appropriate filings and shall use their reasonable best efforts to obtain or make at the earliest practicable date and in any event before Closing, all consents, governmental approvals and filings necessary to the consummation of the transactions contemplated hereby which are necessary to be obtained or made by GLD or which are reasonably requested by Coyote.

(g) Advice of Changes. Until Closing or the earlier rightful termination of this Agreement, GLD will immediately provide Coyote and Sub detailed written notice of any fact or occurrence or any pending or threatened occurrence of which it obtains knowledge, where such occurrence or pending or threatened occurrence: (i) would have been required to be set forth or disclosed in or pursuant to this Agreement or any Schedule hereto; (ii) would make the performance by any party of a covenant contained in this Agreement impossible or make such performance materially more difficult than in the absence of such fact or occurrence; or (iii) would cause a condition to any party's obligations under this Agreement not to be fully satisfied; provided, however that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.

(h) Best Efforts. Between the date hereof and the Closing Date, GLD shall use its reasonable best efforts:

(i) to fulfill the conditions set forth in section 5 hereof;  
and

(ii) to cause the representations and warranties set forth in section 6 hereof to remain true and correct.

Notwithstanding the foregoing, GLD shareholders' obligation to close hereunder shall not arise unless and until Coyote and Sub shall have fulfilled completely the conditions and obligations of Coyote and Sub contained in section 5 and the subsections thereof.

(i) Shareholders Meetings. GLD shall take all action necessary in accordance with the Florida Law and its Articles of Incorporation and By-Laws to duly call, give notice of, convene and hold the a meeting of GLD's shareholders as soon as practicable after the S-4 has been declared effective under the Securities Act to consider and vote upon the adoption and approval of this Agreement and the transactions contemplated herein. The shareholder votes required for the adoption and approval of the transactions contemplated by this Agreement shall be the vote required by Florida law and GLD's Articles of Incorporation and By-Laws. GLD will, through its Board of Directors, recommend to its shareholders approval of such matters.

(j) Preparation of S-4 and the Proxy Statement. GLD shall assist Coyote in promptly preparing and filing with the SEC the Proxy Statement and Coyote shall promptly prepare and file with the SEC the S-4 in which the Proxy Statement will be included. GLD shall use its reasonable best efforts to cooperate with Coyote to have the S-4 declared effective under the Securities Act as promptly as practicable after such filing. GLD shall furnish Coyote with all information concerning GLD and its shareholders as may be reasonably requested in connection with the preparation of the S-4 and the Proxy Statement.

9. Covenants and Agreements of Coyote and Sub Pending Closing.  
Coyote and Sub jointly and severally hereby covenant and agree with GLD that:

(a) Access to Records. From and after the date of this Agreement through the Closing Date, the officers, independent accountants, attorneys and other accredited representatives of GLD shall have free and full access at reasonable times, upon reasonable notice, upon the premises of Coyote, to:

(i) the properties, books, records and all documents of or relating to Coyote and Sub;

(ii) the audit work papers and other records of Coyote of the independent accountants of Coyote; and

(iii) such additional financial and operating data and other information concerning the business and properties of Coyote as GLD shall from time to time reasonably request in writing;

(iv) shall provide adequate copying facilities; all in order that GLD may have full opportunity to make such investigation as they shall reasonably desire of the condition and affairs of Coyote; and

(v) at GLD's request, Coyote shall direct its independent accountants to provide full access to the audit work papers and other written records of such independent accountants with respect to their audits and reviews of Coyote's financial condition.

(b) Compliance with Agreements; Preservation of Business. Through the Closing Date, Coyote and Sub shall:

(i) comply in all material respects, with all applicable provisions and conditions of this Agreement;

(ii) maintain and preserve the properties and business of Coyote with its customers, employees, suppliers and others having business relationships with Coyote;

(iii) conduct the business of Coyote diligently and only in the ordinary course except as previously disclosed to GLD.

(c) Conduct of Business. Coyote and Sub will use reasonable efforts to conduct their affairs so that at Closing no representation or warranty of Coyote or Sub will be inaccurate in any material respect. No covenant or agreement of Coyote or Sub will be breached and no condition in this Agreement will remain unfulfilled by reason of the actions or omissions of Coyote or Sub.

(d) Execution of Documents. Coyote and Sub will execute and deliver such additional or further transfers, assignment, endorsements and other instruments as GLD may reasonably request in writing for the purpose of carrying out this Agreement.

(e) Consents and Approvals. Immediately upon the execution of this Agreement, Coyote and Sub shall make any and all appropriate filings and shall use their reasonable best efforts to obtain or make at the earliest practicable date and in any event before Closing, all consents, governmental approvals and

filings except the Post-Closing consents, as defined in section 9(f), necessary to the consummation of the transactions contemplated hereby which are necessary to be obtained or made by Coyote and/or Sub or which are reasonably requested by GLD.

(f) Post-Closing Consents. The Parties acknowledge and agree that certain consents and approvals necessary for the consummation of the transactions contemplated hereby may, if mutually agreed to by the Parties, need to be obtained following the Closing Date (the "Post-Closing Consents"). Coyote and Sub shall make any and all appropriate filings and use their reasonable best efforts to obtain at the earliest practicable date, the Post-Closing Consents. GLD shall use all reasonable best efforts to assist Coyote and Sub with respect to obtaining such Post-Closing Consents.

(g) Advice of Changes. Until Closing or the earlier rightful termination of this Agreement, Coyote and Sub will immediately provide GLD detailed written notice of any fact or occurrence or any pending or threatened occurrence of which any of them obtains knowledge, where such occurrence or pending or threatened occurrence: (i) would have been required to be set forth or disclosed in or pursuant to this Agreement or any Schedule hereto; (ii) would make the performance by any party of a covenant contained in this Agreement impossible or make such performance materially more difficult than in the absence of such fact or occurrence or; (iii) would cause a condition to any party's obligations under this Agreement not to be fully satisfied; provided, however that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.

(h) Best Efforts. Between the date hereof and the Closing Date, Coyote and Sub shall use their reasonable best efforts:

(i) to fulfill the conditions set forth in section 4 hereof;

and

(ii) to cause the representations and warranties set forth in section 7 hereof to remain true and correct.

Notwithstanding the foregoing, Coyote's obligation to close hereunder shall not arise unless and until GLD shall have fulfilled completely the conditions and obligations of GLD contained in section 5 and the subsections thereof.

(i) Preparation of S-4 and Proxy Statement. Coyote, with GLD's assistance, shall promptly prepare and file with the SEC the Proxy Statement and Coyote shall promptly prepare and file with the SEC the S-4 in which the Proxy Statement will be included. Coyote shall use its reasonable best efforts to have the S-4 declared effective under the Securities Act as promptly as practicable after such filing. Coyote shall also take any action (other than qualifying to do business in any jurisdiction in which it is now not so qualified) required to be taken under any applicable state securities laws in connection with the issuance of Coyote Common Stock in the Merger

(j) Corporate Action. Coyote shall take all action necessary in accordance with the Delaware General Corporation Law (the "Delaware Law") and its Certificate of Incorporation and By-Laws to duly call, give notice of, convene and hold the a meeting of the Coyote shareholders as soon as practicable to consider and vote upon the adoption and approval of the Charter Amendment. The shareholder votes required for the adoption and approval of the Charter Amendment contemplated by this Agreement shall be the vote required by the Delaware Law, the Coyote's Certificate of Incorporation and By-Laws. Coyote will, through its Board of Directors, recommend to its shareholders approval of all such matters requiring shareholder approval. The Charter Amendment shall be effective not later than 31.

(k) NASDAQ Listing. Coyote shall cause the shares of Coyote Common Stock to be issued in the Merger to be approved for listing on the NASDAQ National Market, subject to official notice of issuance, as promptly as practicable after the date hereof and in any event prior to the Effective Time.

#### 10. Termination.

(a) Termination Events. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of GLD):

- (i) by mutual written consent of GLD and Coyote;
- (ii) by either GLD or Coyote, if the Merger has not been consummated by December 31, 2000 (provided that the party seeking to terminate this Agreement shall not have breached its obligations under this Agreement in any material respect); or
- (iii) by either GLD or Coyote, if any judgement, injunction, order or decree enjoining Coyote or GLD from consummating the Merger is

entered and such judgement, injunction, order or decree shall become final and nonappealable.

(iv) Coyote may terminate this Agreement by giving written notice to GLD at any time prior to Closing in the event GLD has breached any material representation, warranty, covenant or agreement contained in this Agreement in any material respect, Coyote has notified GLD of the breach, and the breach has continued without cure for a period of fifteen days after the notice of breach; and

(v) GLD may terminate this Agreement by giving written notice to Coyote at any time prior to closing in the event Coyote has breached any material representation, warranty, covenant or agreement contained in this Agreement in any material respect, GLD has notified Coyote of the breach, and the breach has continued without cure for a period of fifteen days after the notice of breach; and

(b) Effect of Termination. Except for any willful and material breach of this Agreement by any party hereto (which breach and liability therefor shall not be affected by the termination of this Agreement), if this Agreement is terminated by either Coyote or GLD as provided in this section 10, this Agreement shall become void and have no further effect, without any liability or obligation on the part of Coyote, Sub or GLD, other than the provisions of section 10(b), 13(d), 13(e), 13(f), 13(j) and 13(l).

11. Nonsurvival of Representations and Warranties. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time. This section 11 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

12. Brokers. The Parties represent and warrant to each other that, except for Joseph E. Carpenter, Jr., P.A. neither party has retained any broker or finder with respect to this transaction.

13. Miscellaneous.

(a) Further Assurances, Amendment and Waiver. Upon reasonable request, from time to time, the Parties shall (or, with respect to either GLD or Coyote, shall direct its respective subsidiaries, directors, shareholders and officers to, if appropriate) execute and deliver all documents which may be necessary or desirable to effectuate the provisions of this Agreement. This Agreement may only be amended in writing by GLD and Coyote. The failure of

GLD or Coyote to insist, in any one or more instances, upon performance of any of the terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or the future performance of any such term, covenant or condition. All rights and remedies granted in this Agreement shall be cumulative and nonexclusive of all other rights and remedies.

(b) Notices. Any notice to be given hereunder shall be deemed given and sufficient if in writing and delivered or mailed by registered or certified mail,

in the case of GLD to:

Group Long Distance, Inc.  
6600 N. Andrews Avenue, Suite 140  
Fort Lauderdale, FL 33309  
Attn: President

with a copy to:

Gary D. Lipson, Esq. Muller & Lipson, P.A.  
9350 South Dixie Highway, Suite 1550  
Miami, FL 33156

and, in the case of Coyote or Sub, to:

Coyote Network Systems, Inc.  
4360 Park Terrace Drive  
Westlake Village, CA 91361  
Attn: President

with a copy to:

Timothy G. Atkinson, Esq.  
Reinhart, Boerner, Van Deuren,  
Norris & Rieselbach, P.C.  
1775 Sherman Street, Suite 2100  
Denver, CO 80203

or to such other address as GLD, Coyote or Sub may designate by notice in writing to the other.

(c) Benefit. This Agreement shall be binding upon and inure to the benefit and burden of and shall be enforceable by and against Coyote and Sub, their successors and assigns; and GLD, its successors and assigns. This Agreement may not be assigned by any party without the written consent of the others.

(d) Expenses. All expenses incurred by GLD, Sub or Coyote in connection with the transactions contemplated hereby, including, without limitation, legal and accounting fees, shall be the responsibility of and for the

account of the party who ordered the particular service or incurred the particular expense.

(e) Entire Agreement. This Agreement and the schedules and other documents to be delivered pursuant hereto constitute the entire agreement among the Parties hereto and there are no agreements, representations or warranties which are not set forth herein. All prior negotiations, agreements and understandings are superseded hereby, including, without limitation, a certain letter of intent dated March 28, 2000 between Coyote and GLD.

(f) Choice of Law. This Agreement shall be governed by the laws of the State of Florida, without regard to such State's conflict of laws principles.

(g) Severability. If any provision of this Agreement is held for any reason to be unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall, nevertheless, remain in full force and effect.

(h) Headings. Headings are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

(i) Counterparts. This Agreement may be executed in any number of counterparts and delivered via facsimile, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

(j) Arbitration. Any and all disputes concerning the interpretation, construction or application of this Agreement shall be determined by binding arbitration pursuant to the Rules of the American Arbitration Association. The location of any and all arbitration proceedings shall be the city and state in which the Defendant's corporate headquarters are located. At present, Coyote's corporate headquarters are located in Los Angeles, California and those of GLD are located in Fort Lauderdale, Florida. The Party seeking arbitration shall give the other party written notice of its intention to arbitrate a dispute between the parties with respect to this Agreement. Any dispute shall be determined by an arbitrator selected by mutual agreement of the parties. If the parties are not able to expeditiously agree upon the arbitrator, an arbitrator shall be determined by striking names from a list of potential arbitrators provided by the American Arbitration Association. Any and all arbitrators selected shall be independent of the parties to this Agreement. Arbitration shall be conducted expeditiously as time shall be deemed to be the essence in determining any matters subject to arbitration.



(k) Confidential Information.

(i) Each Party acknowledges that it has and will continue to receive "Confidential Information" (as defined below) from the other Party. Each Party shall use reasonable efforts to prevent the disclosure to any other person, firm or other corporation of any Confidential Information which it receives from the other. Each Party shall also use the same degree of care to avoid disclosure of such information as it employs with respect to its own proprietary and confidential information of like importance and shall limit disclosure of the Confidential Information to those of its personnel and personnel of its affiliated companies and its outside professional firm who have an actual need to know and have an obligation to protect the confidentiality of such information consistent with the requirements of this Agreement. Each Party also agrees not to use the Confidential Information for any purpose other than for evaluating the other Party in connection with the Merger.

(ii) Notwithstanding the foregoing, information shall not be deemed Confidential Information and a Party shall have no obligation with respect to any such information that

[a] Is already known to it, and such prior knowledge can be demonstrated through physical evidence that pre-dates this Agreement, or

[b] Is or becomes publicly known through publication or otherwise and through no wrongful act of the Party receiving such information; or

[c] Is received from a third party who is not under a confidentiality restriction, who provides the information without requiring confidentiality thereof, and without a breach of this or any other confidentiality agreement; or

[d] Is approved for release by written authorization of the Party disclosing the information (so long as such release complies with any requirements of the authorization), or

[e] Is disclosed pursuant to the lawfully imposed requirement of a governmental agency or disclosure is required by operation of law.

(iii) Each of the Parties acknowledges that irreparable harm, for which there would be no adequate remedy at law, would arise from a


violation of this section 13 (k). Therefore, each party acknowledges that a breach of this section 13 (k) would give rise to a right to an injunction in favor of the non-breaching party.

(iv) All Confidential Information that is in any reproducible form (including without limitation, written or electronic form) delivered by one Party hereto to the other Party shall be and remain the property of the delivering Party, and all such data, and any copies thereof, shall be promptly returned to the delivering Party upon written request, or destroyed at the delivering Party's option.

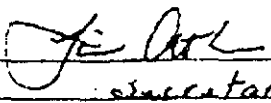
(v) For the purposes of this Agreement, "Confidential Information" shall mean any information that is disclosed to a Party by the other Party, that has been created, developed, discovered, discerned, acquired, licensed or purchased by such other Party, and constitutes information relating to any product, process, financial information, financial projections, research work, business line, business strategy or intellectual property of any kind, and shall include, without limitation, customer lists, trade secrets, ideas, processes, know-how, methods, proprietary data, products, future products, any and therein or any improvements thereof.

(1) Public Announcements. Coyote and Sub, on the one hand, and GLD, on the other hand, will consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, including the Merger, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law, court process or by obligations pursuant to any listing agreement with NASDAQ. The Parties agree that the initial press release to be issued with respect to the transactions contemplated by this Agreement will be in the form previously agreed to by the Parties.

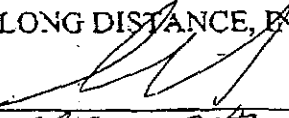
COYOTE NETWORK SYSTEMS, INC.

BY   
Its General Counsel

COYOTE-GLD ACQUISITION, INC.

BY   
Its Secretary

GROUP LONG DISTANCE, INC.

BY   
Its Officer